

# Senate Study Bill 1166 - Introduced

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON DANDEKAR)

## A BILL FOR

1 An Act relating to charity beer and wine auctions, by  
2 authorizing spirits to be included in an auction.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.173A, Code 2011, is amended to read  
2 as follows:

3 **123.173A Charity beer, and wine, and spirits auction permit.**

4 1. For purposes of this section, "*authorized nonprofit*  
5 *entity*" includes a nonprofit entity which has a principal office  
6 in the state, a nonprofit corporation organized under chapter  
7 504, or a foreign corporation as defined in section 504.141,  
8 whose income is exempt from federal taxation under section  
9 501(c) of the Internal Revenue Code.

10 2. An authorized nonprofit entity may, upon application  
11 to the division and receipt of a charity beer, and wine, and  
12 spirits auction permit from the division, conduct a charity  
13 auction which includes beer, and wine, and spirits. The  
14 application shall specify the date and time when the charity  
15 beer, and wine, and spirits auction is to be conducted and the  
16 premises in this state where the charity beer, and wine, and  
17 spirits auction is to be physically conducted. The applicant  
18 shall certify that the objective of the charity beer, and wine,  
19 and spirits auction is to raise funds solely to be used for  
20 educational, religious, or charitable purposes and that the  
21 entire proceeds from the charity beer, and wine, and spirits  
22 auction are to be expended for any of the purposes described in  
23 section 423.3, subsection 78.

24 3. An authorized nonprofit entity shall be eligible to  
25 receive only two charity beer, and wine, and spirits auction  
26 permits during a calendar year and each charity beer, and wine,  
27 and spirits auction permit shall be valid for a period not to  
28 exceed thirty-six consecutive hours.

29 ~~4. The authorized nonprofit entity conducting the charity~~  
30 ~~beer and wine auction shall obtain the beer and wine to be~~  
31 ~~auctioned at the charity beer and wine auction from an Iowa~~  
32 ~~retail beer permittee or an Iowa retail wine permittee, or~~  
33 ~~may receive donations of beer or wine to be auctioned at~~  
34 ~~the charity beer and wine auction from persons who purchased~~  
35 ~~the donated beer or wine from an Iowa retail beer permittee~~

1 ~~or an Iowa retail wine permittee and who present a receipt~~  
2 ~~documenting the purchase at the time the beer or wine is~~  
3 ~~donated. The authorized nonprofit entity conducting the~~  
4 ~~charity beer and wine auction shall retain a copy of the~~  
5 ~~receipt for a period of one year from the date of the charity~~  
6 ~~beer and wine auction.~~

7     5. ~~4.~~ Persons shall be physically present at the charity  
8 beer, and wine, and spirits auction to be eligible to bid on  
9 beer, and wine, and spirits sold at the charity auction.

10     6. ~~5.~~ The beer, and wine, and spirits sold at the charity  
11 beer, and wine, and spirits auction shall be in original  
12 containers for consumption off of the premises where the  
13 charity beer, and wine, and spirits auction is conducted. No  
14 other alcoholic beverage may be sold by the charity beer, and  
15 wine, and spirits auction permittee at the charity beer, and  
16 wine, and spirits auction. A purchaser of beer, ~~or~~ wine, or  
17 spirits at a charity beer, and wine, and spirits auction shall  
18 not take possession of the beer, ~~or~~ wine, or spirits until the  
19 person is leaving the event. A purchaser of beer, ~~or~~ wine, or  
20 spirits at a charity beer, and wine, and spirits auction shall  
21 not open the container or consume or permit the consumption of  
22 the beer, ~~or~~ wine, or spirits purchased on the premises where  
23 the charity beer, and wine, and spirits auction is conducted.  
24 A purchaser of beer, ~~or~~ wine, or spirits at a charity beer, and  
25 wine, and spirits auction shall not resell the beer, ~~or~~ wine,  
26 or spirits.

27     7. ~~6.~~ A liquor control licensee, beer permittee, ~~or~~ wine  
28 permittee, or spirits permittee shall not purchase beer, ~~or~~  
29 wine, or spirits at a charity beer, and wine, and spirits  
30 auction. The charity beer, and wine, and spirits auction may  
31 be conducted on a premises for which a class "B" liquor control  
32 license or class "C" liquor control license has been issued,  
33 provided that the liquor control licensee does not participate  
34 in the charity beer, and wine, and spirits auction, supply  
35 beer, ~~or~~ wine, or spirits to be auctioned at the charity beer,

S.F. \_\_\_\_\_

1 ~~and wine, and spirits~~ auction, or receive any of the proceeds  
2 of the charity beer, ~~and wine, and spirits~~ auction.

3     Sec. 2. Section 123.179, subsection 5, Code 2011, is amended  
4 to read as follows:

5     5. The fee for a charity beer, and wine, and spirits auction  
6 permit is one hundred dollars.

7	EXPLANATION
---	-------------

8 Current provisions in Code section 123.173A permit a  
9 charity beer and wine auction to be conducted by nonprofit  
10 entities which apply for and are issued a charity beer and  
11 wine auction permit from the alcoholic beverages division of  
12 the department of commerce. This bill authorizes spirits to  
13 be auctioned along with beer and wine. The bill additionally  
14 deletes current provisions requiring the nonprofit entity to  
15 obtain the beer and wine to be auctioned from Iowa retail beer  
16 permittees and wine permittees, or to receive only donations  
17 of beer or wine to be auctioned from persons who purchased the  
18 donated beer or wine from Iowa retail beer permittees or wine  
19 permittees.